



# Commercial communications for gambling services

**EGTA ISSUE BRIEF ON ADVERTISING FOR GAMBLING**

// October 2014

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# ONLINE GAMBLING

*Online gambling is the fastest growing service activity in the gambling sector in the EU, with annual growth rates of almost 15%.*

*Annual revenues in 2015 are expected to be € 13 billion, compared to € 10.54 billion in 2012.*

## // Context

The gambling market has shown high growth in recent years. In 2011 annual revenues across the EU in this sector were estimated to be around €84.9 billion, with annual growth rates of around 3%.

There is a wide offer and take-up of online gambling services in the EU, with 6.8 million consumers currently participating in online gambling.

## // Legislation

Online gambling in the EU is characterised by a diversity of regulatory frameworks. Some member states have monopolistic regimes run either by a public or a private operator on the basis of an exclusive right. Others have established licensing systems for more than one operator. There is EU legislation which may also be applied to advertising for gambling, such as the Unfair Commercial Practices Directive and the Unfair Contract Terms Directive. These are primarily concerned with the protection of the economic interests of consumers.

## // Actions by the European Institutions

Due to the growth and high potential of the sector, in March 2011 the European Commission launched a consultation on online gambling services. In particular, the Commission asked for views on online commercial communication, sales promotions, direct marketing and sponsorship.

This was followed by two own-initiative reports in the European Parliament. The first by MEP Jurgen Creutzmann, on "Online gambling services in the Internal Market", was adopted in November 2011.

It pressed the European Commission to ensure compliance with EU law and to pursue infringement proceedings against member states that unjustifiably restrict access to their gambling markets. In relation to advertising the report calls for ***"pragmatic solutions with regard to advertising for, and sponsoring of, sports events by online gambling operators and is of the opinion that common advertising standards should be adopted."***

The second report, on "Online Gambling in the Internal Market" by MEP Ashley Fox was adopted in September 2013. The report called on "member

*states and operators to encourage responsible advertising in relation to online gambling.”*

Following its consultation, the Commission adopted the Communication “Towards a comprehensive European framework on online gambling” in October 2012 and announced the preparation of a Recommendation on responsible gambling advertising to ensure that operators authorised in a given member state advertise gambling in a socially responsible manner and provide key information to consumers.

This Recommendation on “common principles for the protection of consumers and players of online gambling services and for the prevention of minors from gambling online” was published in July 2014. While it is not binding, the recommendation does, however, call for stricter protection for minors, especially in the field of commercial communications.

As there is no sector-specific EU legislation in the online gambling services sector, it was not considered appropriate to propose such specific legislation. The Recommendation puts forward a number of principles, drawing in particular from consultations held with member states, as well as with relevant industry stakeholders. An evaluation of the effectiveness of these principles will inform the need for further action in this field.

**Regarding minors, the Recommendation makes the following points:**

- Commercial communications should carry a clear “no underage gambling” message indicating the minimum age below which gambling is not permissible;
- Member states should encourage that commercial communications are not broadcast, displayed or facilitated in media, or around programmes, where minors are expected to be the main audience;
- Member states should ensure that the operator

on whose behalf the commercial communication is made is clearly identifiable;

- Where appropriate, member states should ensure that commercial communications of online gambling services carry messages including at least the risks for health of problem gambling, in a practical and transparent manner.

## // egta position

egta is concerned by the impact that any call for further advertising restrictions will have on broadcast media, without ensuring a better protection for minors than measures that already exist both at EU and at national level. Additional constraints could have an obvious economic

## EGTA'S OPINION

*Any negative impact on the revenues of broadcasters also risks directly undermining other EU priorities such as promoting media pluralism and cultural diversity, creation of European programme content and the sustainability of the European sports industry. For almost all commercial radios and for numerous TV stations, free-to-air broadcasting is the only viable business model.*

impact on the revenues of media businesses in the EU.

One purpose of advertising is to raise brand awareness and inform consumers of new products and services. Due to its short duration advertising in broadcast media is not able to deliver detailed background information (for example overly prescriptive risk or warning messages) in order to educate consumers about the possible negative effects of the extensive and irresponsible use of a product or service.

## // Self-regulation

At national level additional robust age verification measures have been put in place by the commercial gambling industry (sign-up checks, credit card checks, etc.) which arguably offer a higher level of protection of minors than in traditional lottery operations, which are essentially cash based. The EU and national frameworks between them provide a range of safeguards for a product which, one should not forget, is not actually available to minors in the first place.

Furthermore, in view of the importance of television and radio advertising and its impact on society, egta members are well aware of their responsibilities when it comes to gambling advertising. Sales houses are committed to ensuring that advertising for any product sector is always decent, legal, honest and truthful. In particular, in all EU countries where gambling advertising is permitted, sales houses voluntarily comply with advertising codes of conduct that rule the content of commercial communication for gambling services.



**additional egta information available upon request:**

- **egta's overview of the state of play of the regulation on gambling advertising across Europe.**

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